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SUBJECT: INDIA'S THIRD FRONT LOOKS TO AN ALLIANCE WITH LEFT PARTIES

REF: 07 NEW DELHI 2678

¶1. (SBU) SUMMARY: A senior leader of the United National Progressive Alliance (the "UNPA" or "Third Front") told post that they are moving towards an alliance with India's Left parties. Former Chief Minister of Andhra Pradesh Chandrababu Naidu explained that the UNPA and Left parties are motivated by a common concern over the failure of economic reforms to deliver benefits to India's poor, especially in rural areas. His comments are in line with recent moves indicated increasing coordination between the UNPA and Left parties. END SUMMARY.

NAIDU SAYS THIRD FRONT LOOKING TO ALLY WITH LEFT

¶2. (SBU) In a February 19 meeting, Chandrababu Naidu, leader of Andhra Pradesh's Telugu Desam Party (TDP) told Charge d'Affaires White that the UNPA was moving towards an alliance with India's left parties. Naidu is one of the UNPA's principal leaders; he hosted the alliance's formal announcement in June 2007 at his home in Hyderabad. Naidu said that "things are moving the direction" of a Left/UNPA alliance because they share a commitment to "more inclusive growth" in India.

¶3. (SBU) Naidu said "many Indians have been left out of the benefits of economic reforms." He pointed to farmer suicides and the increasing gap between India's ultra-rich -- noting recent reports about the number of billionaires in India -- as evidence of the need to more evenly spread the benefits of growth. Naidu approvingly cited the U.S. estate tax as an example of policies designed to reduce inequality: "We need to look at something like that." He said that he believes that India is "evolving into a modern economy" but that the UNPA and Left parties agree that during this process the government must help rural people through the transition. Naidu added that the ruling United Progressive Alliance (UPA) has not done enough to help rural India.

DMK INSIDER SAYS FALL ELECTIONS A POSSIBILITY

¶4. (SBU) Separately, DMK Member of Parliament Kanimozhi (who is also the daughter of DMK chief M. Karunanidhi) surveyed the political situation for the Charge in a February 20 meeting in Chennai. Kanimozhi, who serves as her father's (and thus her party's) unofficial spokesperson in New Delhi, said it is possible that there will be early parliamentary elections this fall, but added that things will become much clearer after upcoming elections in Chhattisgarh, Rajasthan, and Madhya Pradesh. When asked about relations between her DMK party and the UPA's dominant partner, the Indian National Congress (INC) Party, Kanimozhi simply shrugged and said relations between the two are "okay." She made clear that the INC is heavily dependent on DMK support for electoral success in Tamil Nadu, adding that Union Finance Minister Chidambaram ("not a man of the people" in Kanimozhi's estimation) could not win his

Tamil Nadu constituency without the DMK.

¶5. (SBU) COMMENT: Naidu's comments on the prospects of a UNPA/Left alliance are in line with recent demonstrations of increasing warmth between the two sides. In the fall of 2007, the UNPA and Left parties agreed to coordinate their opposition in Parliament to the U.S.-India Civil Nuclear Cooperation Initiative. This year Naidu has joined with other UNPA leaders in organizing a series of well-publicized rallies decrying the "anti-farmer policies of the UPA government" to which Left party leaders have reportedly been invited. Although the Left was dismissive of the UNPA when it was first formed (reftel), they seem to be moving towards a partnership in the next national elections. Naidu and his TDP party were turned out of power in Andhra Pradesh in 2004 largely due to charges of lack of attention to farmers and the agricultural sector. His conversion to the cause of farmers and others who have not benefited from India's hi-tech led economic boom - a boom that Naidu is credited with fostering in the state -- show his sensitivity to the issue and, we expect, a resolve not to lose again when Andhra Pradesh returns to the polls in 2009.

¶6. (SBU) COMMENT CONTINUED: Naidu's TDP once allied with the Bharatiya Janata Party (BJP); it was a part of the BJP-led National Democratic Alliance (NDA) government in Delhi from 1999-2004. By flirting with the Left and other UNPA partners, Naidu has distanced himself from the BJP in hopes of appealing to Andhra Pradesh's sizable Muslim vote. Despite his statements that he will not join with the BJP because he opposes the BJP's "communal" politics, it remains possible that Naidu's TDP would rejoin the BJP-led NDA if the alliance finds itself in a position to form the government in Delhi after the next elections. One alliance that we can rule out for certain for Naidu is with the INC, which forms his principal opposition within the state and with whom he has a rancorous relationship. END COMMENT.

¶7. (U) This cable was cleared by Deputy Chief of Mission White.

HOPPER